

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Lexington Precision Corporation and Lexington Rubber Group, Inc.
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: June 2009

Federal Tax I.D. # 22-1830121 & 13-3525759

CORPORATE MONTHLY OPERATING REPORT – June 2009

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes	Waived**
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	No	Waived**
Copies of bank statements		No	Waived**
Cash disbursements journals		No	Waived**
Statement of Operations	MOR 2	Yes	Consolidated Statement of Operations
Reorganization items paid	MOR-2 (Cont.)	Yes	No explanation necessary.
Balance Sheet	MOR-3	Yes	Consolidated Statement of Operations
Status of Post-petition Taxes	MOR-4	Yes	No explanation necessary.
Copies of IRS Form 6123 or payment receipt		No	Waived**
Copies of tax returns filed during reporting period		No	Waived**
Summary of Unpaid Post-petition Debts	MOR-4	Yes	No explanation necessary.
Listing of Aged Accounts Payable		No	All post-petition accounts payable are current.
Accounts Receivable Reconciliation and Aging	MOR-5	Yes	No explanation necessary.
Taxes Reconciliation and Aging	MOR-5	Yes	No explanation necessary.
Payments to Insiders and Professional	MOR-6	Yes	No explanation necessary.
Post Petition Status of Secured Notes	MOR-6	Yes	No explanation necessary.
Debtor Questionnaire	MOR-7	Yes	No explanation necessary.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual*

Date July 29, 2009

Printed Name of Authorized Individual Dennis J. Welhouse

Date July 29, 2009

Senior vice President and CFO

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

** Inclusion of this and certain other information has been waived per discussions with Official Creditors' Committee and the Office of the United States Trustee.

In re Lexington Precision Corporation
Debtor

Case No. 08-11153
Reporting Period: June 2009

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					1,157,461.11
DIP LOANS					-
OTHER: Premier Tool and Die					13,295.00
OTHER: Miscellaneous Receipts					23,507.41
TOTAL RECEIPTS					1,194,263.52
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					2,448,414.50
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH – END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$2,448,414.50
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$2,448,414.50

In re Lexington Rubber Group, Inc.
Debtor

Case No. 08-11156
Reporting Period: June 2009

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

	BANK ACCOUNTS				
	OPER	PAYROLL	TAX	OTHER	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
ACCOUNT NUMBER (LAST 4)					
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					4,095,586.63
DIP LOANS					-
OTHER: Cobra					-
OTHER: Miscellaneous Receipts					6,542.79
TOTAL RECEIPTS					4,102,129.42
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					2,944,770.52
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH – END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$2,944,770.52
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$2,944,770.52

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

June 2009

CONSOLIDATED STATEMENTS OF EARNINGS

MONTH

in thousands of dollars

Case no's 08-11153 & 08-11156

	MONTH	
	Actual	
Gross sales	5,440	100.3 %
Returns	13	0.2
Discounts & allowances	5	0.1
Net sales	5,422	100.0
Cost of sales:		
Material cost	1,739	32.1
Direct labor	473	8.7
Factory overhead	2,634	48.6
Total	4,846	89.4
Gross profit	576	10.6
Selling, general & admin. expense:		
Marketing & sales	125	2.3
General & administrative (1)	458	8.4
Total	583	10.8
Operating profit	(7)	(0.1)
Nonoperating expense (income):		
Interest expense (2)(3)	631	11.6
Interest (income)	(3)	(0.1)
Total	628	11.6
Earnings (loss) before taxes	(635)	(11.7)
Income taxes	4	0.1
Earnings (loss) from continuing operations	(639)	(11.8)
Income (loss) from discontinued operations	34	0.6
Net income (loss)	(605)	(11.2) %
EBITDA:		
Operating Profit		0.0 %
Depreciation	388	7.2
Amortization (operating only)	(3)	(0.1)
EBITDA	385	7.1 %

Other Data & Statistics:

Average number of employees (#)	282	NA
Sales per employee (\$)	231	NA

(1) Includes \$102,000 of expenses that are classified as reorganization items pursuant to SOP 90-7.

(2) Excludes interest expense of \$14,000 allocated to discontinued operations for the month of June 2009.

(3) Includes \$127,000 of interest on missed interest payments for the holders of the Company's unsecured debt and \$33,000 of interest for the holders of the Company's DIP loan during June 2009.

In re **Lexington Precision Corporation - Consolidated**
Debtor

Case No. **08-11153 & 08-11156**
Reporting Period: **June 2009**

REORGANIZATION ITEMS		
Professional Fees		
Stout Risius Ross, Inc.	43,474.08	
Andrews Kurth	231,810.21	
Weil, Gotshal & Manges LLP	51,501.61	
W.Y. Campbell & Company		
Nixon Peabody		
Goldin Associates	45,449.66	
U. S. Trustee Quarterly Fees - LRG		
U. S. Trustee Quarterly Fees - LPC		
Interest Paid to Lexington on Accumulated Cash from Chapter 11 - DIP Cash (<i>see continuation sheet</i>)	2,786.42	
Interest Paid to Lexington on Accumulated Cash from Chapter 11 - Operating Cash (<i>see continuation sheet</i>)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (<i>attach schedule</i>)		
DIP Interest	34,444.45	
CapitalSource Reimbursement	185,763.25	
Epiq Bankruptcy Solutions, LLC	5,328.68	
Intralinks, Inc.		
AccuVal Associates, Inc.		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

June 2009

CONSOLIDATED BALANCE SHEETS

in thousands of dollars

Case no's 08-11153 & 08-11156

ASSETS	Actual
Current assets:	
Cash	3,579
Marketable securities	103
Accounts receivable	7,803
Inventories	8,072
Prepaid expenses and other current assets	1,385
Deferred income taxes	–
Current assets of discontinued operations	31
Total current assets	<u>20,973</u>
Plant & equipment	
Land	2,287
Buildings	13,406
Machinery & equipment	<u>110,697</u>
	126,390
Accumulated depreciation	<u>109,288</u>
Plant & equipment, net	<u>17,102</u>
Plant & equipment of discontinued operations, net	1,177
Goodwill	7,623
Deferred financing expenses	–
Other assets	<u>512</u>
	<u>47,387</u>
LIABILITIES & SHAREHOLDERS' DEFICIT	
Current liabilities:	
Accounts payable	7,672 (1)
Accrued income taxes	22
Accrued interest expense	16,187
Accrued operating expenses	3,910 (2)
Short-term debt	18,219 (3)
Current portion of LTD	53,539
Current liabilities of discontinued operations	<u>325</u>
Total current liabilities	<u>99,874</u>
Long-term debt, net of current portion	
Long-term portion of post-retirement obligation	240
Other long term liabilities	228
Deferred income taxes	–
Shareholders' deficit:	
Common stock	1,245
Add'l paid-in-capital	13,200
Accumulated deficit	(67,289)
Accumulated other comprehensive loss	<u>(111)</u>
Total shareholders' deficit	<u>(52,955)</u>
	<u>47,387</u>

(1) As of June 30, 2009, accounts payable and current liabilities of discontinued operations include prepetition accounts payable in the amount of approximately \$5,432,000 and \$174,000 respectively. Accounts payable includes \$823,000 of billings from attorneys, investment advisors, and other fees and expenses incurred in connection with the Company's filing under chapter 11 of the Bankruptcy Code.

(2) As of June 30, 2009, accrued expenses includes \$431,000 of fees and expenses accrued in connection with the Company's filing under chapter 11.

(3) Includes revolving line of credit in the amount of \$14,219,000 and the DIP loan in the amount of \$4,000,000.

Lexington Precision Corporation - Consolidated
Case No. 08-11153 & 08-11156
Status of Post-Petition Taxes
June 2009

	6/3	6/4	6/5	6/10	6/11	6/12	6/17	6/18	6/22	6/24	6/25	6/29		Totals
Federal														
FICA - Employee	3,507.09	11,725.29		1,582.43	12,387.57	22,094.61	4,096.60	12,623.59		766.91	13,639.15	19,141.76	-	101,565.00
FICA - Employer	3,507.09	11,725.03		1,582.39	12,387.70	22,094.56	4,096.62	12,623.57		766.89	13,639.05	19,141.79	-	101,564.69
Unemployment	123.73	78.46		16.41	56.34	25.00	80.22	47.28		14.45	61.77	22.80	-	526.46
Income	4,301.62	8,780.28		1,464.65	9,488.19	32,594.27	3,807.60	9,328.70		940.75	10,105.70	27,885.01	-	108,696.77
Other:	-	-		-	-	-	-	-		-	-	-	-	-
Total Federal Taxes	11,439.53	32,309.06	-	4,645.88	34,319.80	76,808.44	12,081.04	34,623.14	-	2,489.00	37,445.67	66,191.36	-	312,352.92
State and Local														
GA - Georgia														
Withholding	-	2,222.72		-	2,585.99	2,711.69	-	2,642.24		-	3,131.95	3,101.48	-	16,396.07
Unemployment	-	552.90		-	424.64	-	-	252.16		-	224.97	-	-	1,454.67
Real Property	-	-		-	-	-	-	-		-	-	-	-	-
Other:	-	-		-	-	-	-	-		-	-	-	-	-
NY - New York														
Withholding	-	972.88		-	1,179.52	1,413.28	-	1,244.00		-	1,361.96	1,405.77	-	7,577.41
Unemployment	-	726.16		-	639.49	98.21	-	632.81		-	971.76	98.21	-	3,166.64
Real Property	-	-		-	-	-	-	-		-	-	-	-	-
Other: DI	-	-		-	-	-	-	-		-	-	-	-	-
OH - Ohio														
Withholding	1,235.59	449.00		537.20	485.66	5,383.54	1,347.95	286.24		220.06	299.60	3,924.16	-	14,169.00
Unemployment	1,830.93	21.50		264.94	21.50	523.62	1,277.43	21.50		155.39	32.36	28.68	-	4,177.85
Real Property	-	-		-	-	-	-	-		-	-	-	-	-
Other:	-	-		-	-	-	-	-		-	-	-	-	-
PA - Pennsylvania														
Withholding	69.96	-		11.55	-	-	61.68	-		-	-	-	-	143.19
Unemployment	-	-		-	-	-	-	-		-	-	-	-	-
Real Property	-	-		-	-	-	-	-		-	-	-	-	-
Other:	-	-		-	-	-	-	-		-	-	-	-	-
SC - South Carolina														
Withholding	-	1,946.94		-	1,741.85	2,244.78	-	1,861.62		-	1,818.43	2,236.30	-	11,849.92
Unemployment	-	88.80		-	26.46	-	-	30.01		-	19.11	-	-	164.38
Real Property	-	-		-	-	-	-	-		-	-	-	-	-
Other:	-	-		-	-	-	-	-		-	-	-	-	-
MA - Massachusetts														
Withholding	-	-		-	-	152.06	-	-		-	-	163.64	-	315.70
Unemployment	-	-		-	-	-	-	-		-	-	-	-	-
Real Property	-	-		-	-	-	-	-		-	-	-	-	-
Other:	-	-		-	-	-	-	-		-	-	-	-	-
AK - Akron City, OH	-	16.29		-	16.29	-	-	16.29		-	16.29	-	-	65.16
BR - Brewster VLG, OH	-	11.62		-	11.62	-	-	11.74		-	12.43	-	-	47.41
CA - Canton City, OH	-	-		-	-	-	-	-		-	-	-	-	-
CO - Columbiana, OH	6.68	-		-	-	-	5.13	-		-	-	-	-	11.81
CS - Col SD, OH	6.26	-		-	-	-	5.13	-		-	-	-	-	11.39
GI - Girard City, OH	45.33	-		-	-	-	14.10	-		-	-	-	-	59.43
GR - Green City, OH	-	-		-	-	43.75	-	-		-	-	43.75	-	87.50
HU - Hubbard City, OH	-	-		-	-	-	-	-		-	-	-	-	-
MD - McDonald Vil, OH	16.30	-		21.90	-	71.50	32.35	-		-	-	32.50	-	174.55
NC - No Canton Ci, OH	-	-		-	-	96.62	-	-		-	-	47.37	-	143.99
NF - New Franklin, OH	-	7.24		-	7.38	-	-	7.31		-	6.62	-	-	28.55
NI - Niles City, OH	33.99	-		34.81	-	184.11	58.70	-		18.07	-	89.53	-	419.21
NP - New Philadel, OH	-	-		-	-	21.61	-	-		-	-	21.61	-	43.22
PP - Pepper Pike	-	-		-	-	75.29	-	-		-	-	74.54	-	149.83
PY - Pymatuning T, PA	13.60	-		3.76	-	-	10.34	-		-	-	-	-	27.70
SH - Sharon City, PA	4.55	-		-	-	-	6.85	-		-	-	-	-	11.40
SL - Springfield LS, OH	8.92	-		-	-	-	3.70	-		-	-	-	-	12.62
SP - Sharpsville, PA	-	-		-	-	-	-	-		-	-	-	-	-
ST - Struthers Ci, OH	-	-		-	-	-	-	-		-	-	-	-	-
SW - Stow City, OH	-	-		-	-	-	-	-		-	-	-	-	-
WA - Warren City, OH	101.44	-		47.94	-	-	101.20	-		8.91	-	-	-	259.49
YT - Youngstown C, OH	-	-		-	-	-	11.67	-		-	-	-	-	11.67
Total State and Local	3,373.55	7,016.05	-	922.10	7,140.40	13,020.06	2,936.23	7,005.92	-	402.43	7,895.48	11,267.54	-	60,979.76
Total Payroll Taxes	14,813.08	39,325.11	-	5,567.98	41,460.20	89,828.50	15,017.27	41,629.06	-	2,891.43	45,341.15	77,458.90	-	373,332.68
Non-Payroll Taxes														
GA Dept. of Revenue Sales & Use Tax			258.24		-	-	-	-		-	-	-	-	258.24
NY State Sales Tax					-	-	-	-	660.99		-	-	-	660.99
					-	-	-	-	-		-	-	-	-
Total Non Payroll Taxes	-	-	258.24	-	-	-	-	-	660.99	-	-	-	-	919.23
Total Taxes	14,813.08	39,325.11	258.24	5,567.98	41,460.20	89,828.50	15,017.27	41,629.06	660.99	2,891.43	45,341.15	77,458.90	-	374,251.91

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due						Total
	Current	0-30	31-60	61-90		Over 91	
Accounts Payable							
Wages Payable							
Taxes Payable							
Rent/Leases-Building							
Rent/Leases-Equipment							
Secured Debt/Adequate Protection Payments							
Professional Fees							
Amounts Due to Insiders							
Other:							
Other:							
Total Post-petition Debts							

There are no unpaid post petition debts. All debts
are either paid or within credit terms.

In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	8,395,103.77
Plus: Amounts billed during the period	5,533,304.09
Less: Amounts collected during the period	5,253,047.74
Less: Miscellaneous adjustments	57,000.24
Total Accounts Receivable at the end of the reporting period	8,618,359.88

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	5,813,366.37	-	-	-	5,813,366.37
31 - 60 days old	-	1,545,439.89	-	-	1,545,439.89
61 - 90 days old	-	-	339,114.49	-	339,114.49
91+ days old	-	-	-	920,439.13	920,439.13
Total Accounts Receivable	5,813,366.37	1,545,439.89	339,114.49	920,439.13	8,618,359.88
Less: Bad Debts (Amount considered uncollectible)	-	-	-	-	973,000.00
Plus: Accrual adjustment	-	-	-	-	158,000.00
Net Accounts Receivable	-	-	-	-	7,803,359.88

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: June 2009

DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	X (To date, standard end of term (June 30, 2008) <u>non-renewal</u> notices.)	
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?	Yes	See footnote (1)

(1) Michael A. Lubin, Chairman of the Board, and William B. Conner, a Director of the Company, received DIP interest during June 2009 in the amounts of \$17,222.22 and \$12,916.67, respectively.